
**Work Opportunity Tax Credit (WOTC)
Program & Welfare-to-Work WtW
Tax Credit**

***Technical Assistance &
Compliance Review Guide***
(April 2002)

**U.S. Employment Service & ALMIS
U.S. Department of Labor/ETA
Washington, D.C.**

Work Opportunity Tax Credit (WOTC) Program and Welfare-to-Work (WtW) Tax Credit Review Guide

REVIEW INSTRUMENT:

The review guide is designed for use by the U.S. Department of Labor, WOTC/WtW National and/or Regional Office (RO) staff, which perform quarterly and/or annual program reviews. The standards used in evaluating a State Workforce Agency's (SWA) or Designated Local Agency's (DLA) performance are those prescribed by Congressional legislation, Federal regulations (i.e., IRS Code of 1986, as amended), and ETA policy guidance (November 1998, Second Edition, ETA Handbook No. 408).

The guide has been updated and formatted in Achecklist@form to facilitate the work of the reviewer. It is divided into nine parts as follows: Parts I. Fiscal Review; II. Program Management/Organization; III. Program Operations; IV. Worksheet A. ADocument Review Form;@ V. Record Keeping; VI. Verification Procedures; VII. SWA's Use of ETA Form 9059 - Report No. 3, AVerification Results;@ VIII. Conditional Certification Process; and IX. Related and Support Activities. Worksheet B, ASummary of Findings and Recommendations@is divided into three parts: Findings, Recommendations, and Corrective Action Plan. The last three forms are provided as samples to aid the reviewer in preparing the final report which is to be submitted to the corresponding SWA/DLA and National Office.

TRANSMITTAL OF WOTC/WtW SUMMARY REPORT:

When prepared by the WOTC/WtW Regional Coordinator, the Summary Report and one copy shall be transmitted to the state agency and the National Office respectively, as an enclosure to a cover letter from the Regional Administrator (RA), within 15 working days following completion of the on-site review(s). One copy shall be retained at the RO.

If the report includes any findings of non-compliance or major deficiencies, a copy of the transmittal letter, the report, corrective action plan (if required) or TA proposed, agency response, and any further correspondence shall be sent to the National Office, Attn: WOTC/WtW National Coordinator, USES/ALMIS, within a reasonable period of time of remedial actions and completion of follow-up review by the WOTC/WtW Regional Coordinator.

WOTC PROGRAM & WtW TAX CREDIT REVIEW CHECKLIST FY

State: _____

DATE: _____

I. Fiscal Review:

1. State's annual Federal funding allocation: \$

	YES	NO
a. Operates w/in budgeted amounts. If NO, explain.		
b. Any significant over or under-expenditures? Explain. (Check latest quarterly report of planned vs actual expenditures)		
c. Other.		

II. Program Management, Organization.

1. Structure & WOTC/WtW staff responsibilities system in place.

Organizational structure & staffing at state & local offices= levels.

a. State Level. All processing & verification system centralized.

* Powers of Attorney (POA) for Employer Reps in place. ___ Original ___ Copy

* Existing POAs : Validity Period ___ Expired ___ Current If expired for how long? ___ yrs. ___ mos.

Identify No. Type of staff (FTEs) % of Time Spent on WOTC/WtW

b. Local Office (LO) Level. Receive PSNs and certify.

c. LO - issues Conditional Certifications only.

d. PAs - issue Conditional Certifications
Indicate PAs:

e. MOUs w/PAs in place.

Updated every 6 12 24 mos.

f. LO - involved in promotional activities to employers/job seekers only. Explain.

Indicate types of promotional/marketing materials produced or used
(Secure copies of materials)

2. SWA Coord. trains and /or provides TA to staff & PAs. If not, who?

Frequency of Training to Staff: **(Circle one)** Every 3 6 9 mos. To PAs: Every 3 6 9 mos.

Frequency of TA to Staff: **(Circle one)** Every 3 6 9 mos. To Pas: Every 3 6 9 mos.(10/01)

CONTINUATION SHEET.

WOTC PROGRAM & WtW TAX CREDIT REVIEW CHECKLIST

FY

State: _____

DATE: _____

III. Program Operations.		
	YES	NO
1. Written Requests=files for individuals hired maintained in state central office		
a. If all processing is done at the state level are any files kept at the LO?		
b. SWA has fully/partial automated system for processing certification requests		
c. Has electronic access to HHH/USDA welfare/food stamps records for verification		
d. Process for establishing timely submission of 8850s in place. Explain.		
e. Process for classifying the 8850s upon receipt in place. Explain.		
f. System for matching ETA 9061 w/8850 (if not received w/8850) in place. Explain.		
g. Procedure for obtaining documentary evidence in place. Explain.		
h. Procedure for verifying legitimacy of POA in place. Explain.		
i. Employers/representatives are notified if there are pros. w/the Certif. Request. Frequency: (Circle one) Within 48 hrs.; 10 20 30 60 days. Describe process, w/time frames, follow-up and closure of case file (Attach description to this form)		
j. Priorities or time lapse targets for issuing certifications are in place. Explain.		
k. State Coordinator issues Certifications/Denials.		
All SWA WOTC/WtW staff issue Certifications/Denials.		
l. Priorities or time lapse targets for issuing denials are in place. Explain. (Collect sample of denial form(s))		
m. States Certification procedures fulfill all required steps in ETA Handbook No. 408.		
n. Procedures are accomplished w/in time periods in proportion w/workload vol & \$\$		(10/01)

(Cont. Sheet)

Pages: of

WOTC /WtW TAX CREDITS - DOCUMENT REVIEW FORM

FY _____

Type of Document:

Universe Size: _____ **Sample Size:** _____

Period Reviewed:

State: _____ **DATE:** _____

Reviewer:

IV. Eligibility Determination & Certification Process

WORKSHEET A.

[illegible]

[illegible]

CONTINUATION SHEET.**WOTC PROGRAM & WtW TAX CREDIT REVIEW CHECKLIST
FY****State:** _____**DATE:** _____

V. Record Keeping.		
	YES	NO
1. Adequate forms used for information collection, recording and filing, during case file review. Explain.		
a. All documents pertaining to the case being revised are kept together in one place.		
b. Adequate facilities for 4-year retention. Explain.		
c. Are complete case files maintained for Aineligibility determinations@and for others not processed? Explain.		
d. Agency provides for retention of all documentation at least 4-yrs., Aafter@a Certification is invalidated. System Used: Microfiche ____ Other ____ Explain.		
VI. Verification Procedures.		
1. State utilizes adequate AQuality Control@processes as follows:		
a. 48-hour Review		
b. ETA Form 9065		
c. End of Qtr Sample - ETA Form 9059		
d. Other (Pls., describe, explain)		
2. If State conducts a A48-hour review@?		
a. Who performs this review?		
b. What kind of training was provided to this person in preparation for this responsibility?		
c. Is there some kind of notation on the case file that the A48-hr. Review@took place, the date and who completed the review? Explain.		
d. No. of cases reviewed:		
e. A certification was properly issued in each case.		
f. If not, list each case and explain discrepancies and how these were addressed. <i>(If necessary use additional sheets)</i>		

CONTINUATION SHEET.

WOTC PROGRAM & WtW TAX CREDIT REVIEW CHECKLIST

FY

State: _____ DATE: _____

2. If state does not conduct a 48-hour review, explain what Internal Controls are in place to assure that Certifications are being properly issued? Explain.	YES	NO
a. State issues a rather large no. of Ade-certifications.		
b. Inadequate internal Quality Controls.		
c. No Quality Control system in place.		
3. State has A verification system in place.		
a. When is sample selected? Weekly ____ Monthly ____ Quarterly		
b. Sample is a statistical randomly selected one.		
c. Verification activities are performed and documented. Frequency: Daily ____ Weekly ____ Monthly		
d. Verification data obtained for at least the required sample percentage.		
e. Process to document a withdrawal of certification follows policy guidance in ETA Handbook 408. Explain.		
f. Explain adequacy &/or differences between processing activities conducted at state A centralized level and those conducted at a A decentralized LO level.		
<div>State Centralized System</div> <div>LO System</div>		

CONTINUATION SHEET.**WOTC PROGRAM & WtW TAX CREDIT REVIEW CHECKLIST
FY****State:** _____**DATE:** _____**VII. Analysis of State's Use of ETA Form 9059, A Verification Results® for WOTC/WtW, Report No. 3.**

(A sample should be taken from all previous ETA 9059s submitted since the last RO review)

1. Quarters Reviewed:

2. No. of cases examined during this post-review:

3. Samples were drawn statewide.

YES**NO**

4. Sample(s) was (were) randomly drawn and in accordance w/the guidance in ETA Handbook 408.

What method was used to select sample if different from the one recommended by the Handbook?

5. Sample size meets standards outlined in ETA Handbook 408

Universe Size: _____ Sample Size: _____ No. Certified: _____ No. Ineligible:

Total No. of Cases Reviewed:

6. ETA Verification Form 9065 was completed for each sample.

7. If ETA Form 9065 is not used describe the Quarterly Review Process the state uses including how the findings are maintained.

8. Auditor was different from original certification issuer.

9. Verification activities conducted by State meet the Minimum Federal Standards.

10. FINDINGS: Significant Deficiencies (Use next sheet if necessary)

11. Recommendations/Corrective Action Plan (Use next sheet if necessary)

CONTINUATION SHEET.

Pages: ____ of

WOTC PROGRAM & WtW TAX CREDIT REVIEW CHECKLIST

FY

State: _____

DATE: _____

10. FINDINGS: Significant Deficiencies (Continued)

11. Recommendations/Corrective Action Plan:

WOTC PROGRAM & WtW TAX CREDIT REVIEW CHECKLIST

FY

State: _____

DATE: _____

VIII. Conditional Certification (CC) Process		
1. The state has delegated the CC responsibility to Participating Agencies (PAs).	YES	NO
2. List all PAs which issue CCs		
3. The state has entered into written/verbal agreements or MOUs with: SOME, ALL, NONE of the PAs.		
4. Written agreements w/PAs describe the CC authority and whether or not this authority extends to ALL target groups or just one.		
5. Agreements are reviewed and updated every: (Circle one) 3, 6, 12 months. If not explain.		
6. How are PAs informed of changes to WOTC/WtW procedures or changes in state policies?		
7. State has provided orientation & training to the PAs=staff in the past 6 or 12 months. (Circle one) In what form? Explain training.		
8. State provides TA to the PAs every 1, 3, 6, 9, 12, mos., (Circle one) or on an as needed basis.®		
9. State issues Certifications to WOTC/WtW eligible participants who seek employment w/CCs issued by Job Corps centers.		
10. No. of Certifications issued to Job Corps applicants in FY : Q1_____ Q2_____ Q3_____ & Q4_____		
11. State reviews the CCs it issues for accuracy and consistency, completeness. If yes, HOW@?		
12. PAs review the CCs they issue for accuracy and consistency, completeness. If yes, HOW@?		
13. State conducts a quality audit of the CCs issued by the PAs every (Circple one) 3, 6, 12 months. <i>(Note to Reviewer: Reviewer should select a random sample of CCs on file (copies are OK) to determine accuracy and completeness and make sure they use ETA 9062.)</i>		

**WOTC PROGRAM & WtW TAX CREDIT REVIEW CHECKLIST
FY**

State: _____

DATE: _____

14. No. of CCs revalidated by the State for: Q1_____ Q2_____ Q3_____ & Q4

15. No. of CCs revalidated by the PAs for: Q1_____ Q2_____ Q3_____ & Q4

IX. Related & Support Activities= Review. Note. This information may be obtained from: documents=review, observation of activities, and/or via interviews w/staff. Not all questions will apply to all states. Answers to these 4 questions should also be reported in WORKSHEET B.

1. Are there significant delays in meeting target dates for initiating or completing any work plan activities? Report size and aging of any backlogs. Describe circumstances/reasons for backlogs.

2. Have the Quarterly reports been submitted in a timely manner and do they accurately reflect activities during the quarter as required by: *ETA Handbook No. 408*?

3. Have the procurement for any specialized technical equipment (e.g., computer related) or for other resources been made in a timely fashion, in accordance with the Cost Reimbursable Grant specifications, appropriate state procedures and/or work plans?

4. Are there any administrative or operational problems which hinder the implementation and progress of the WOTC program and the WtW Tax Credit?

Summary of Findings and Recommendations

State: _____

DATE: _____

Reviewer: _____

FINDINGS:

**WOTC PROGRAM & WtW TAX CREDIT REVIEW CHECKLIST
FY**

Summary of Findings and Recommendations

State: _____

DATE: _____

Reviewer: _____

Recommendations:

WOTC PROGRAM & WtW TAX CREDIT REVIEW CHECKLIST
FY

Summary of Findings and Recommendations

State: _____

DATE: _____

Reviewer: _____

Corrective Action Plan: